

OFFICIAL COPY

October 19, 2009

DOCKET NO. E-100, SUB 121

NORTH CAROLINA UTILITIES COMMISSION

REQUEST FOR PROPOSALS

FILED

OCT 19 2009

Clerk's Office
N.C. Utilities Commission

TITLE: North Carolina Renewable Energy Tracking System (NC-RETS)

CLOSING DATE AND TIME: 4:30 p.m., December 15, 2009

Sealed proposals for furnishing the services described herein will be received until the closing date and time specified above, subject to the conditions described herein.

MAILING INSTRUCTIONS:

If delivered by US Postal Service, address as follows:

North Carolina Utilities Commission
ATTN: Renne Vance
Chief Clerk
4325 Mail Service Center
Raleigh, NC 27699-4325

If delivered by any other method, address as follows:

North Carolina Utilities Commission
ATTN: Renne Vance
Chief Clerk
Room 5063, 430 North Salisbury Street
Raleigh, NC 27603

It is the sole responsibility of the Respondent to have the proposal in this office by the specified time and date of closing.

IMPORTANT: Indicate firm name, RFP name (NC-RETS) and agency name (North Carolina Utilities Commission), and the closing date specified above on the front of a sealed envelope containing the proposal. Provide one original and 14 copies. The original must be signed and dated by an official authorized to bind the firm. In the event a joint venture made up of several firms makes a proposal, an officer from each firm must sign and date the proposal. The Commission will not consider unsigned proposals.

(21)

Section 1

GENERAL INFORMATION

1. **QUESTIONS:** No questions concerning the requirements in this RFP or the Commission's decision-making criteria or process will be answered orally. Questions may be faxed or e-mailed until 5 p.m., November 20, 2009. Questions may be faxed or e-mailed to:

Renne Vance
Chief Clerk
FAX # (919) 733-7300
E-MAIL: vance@ncuc.net

Questions received after November 20, 2009, will not be considered. A written summary of all questions received by the deadline will be answered and posted on the Commission's web site as an addendum to this RFP no later than 5 p.m., December 4, 2009. It is the sole responsibility of the Respondent to access the Commission's web site for addenda to this RFP. Access the web site at:

<http://www.ncuc.net>
Click on "Dockets"
Type in Docket No. "E-100" and "Sub 121"

2. **EXCEPTIONS:** All proposals are subject to the terms and conditions outlined herein. All responses shall be controlled by such terms and conditions, and the submission of other terms and conditions, price lists, catalogs, and/or other documents as part of a Respondent's proposal will be waived and have no effect either on this RFP or on the Memorandum of Agreement (MOA) that may be awarded resulting from this solicitation.

Respondent specifically agrees to the conditions set forth in the above paragraph by signature to the proposal.

3. **CERTIFICATION:** By executing the proposal, the Respondent certifies that this proposal is submitted competitively and without collusion (G.S. 143-54), that none of your officers, directors, or owners has been convicted of any violations of Chapter 78A of North Carolina's General Statutes, the Securities Act of 1933, or the Securities Exchange Act of 1934 (G.S. 143-59.2), and that your organization is not an ineligible vendor as set forth in G.S. 143-59.1. False certification is a Class I felony.
4. **ORAL EXPLANATIONS:** The Commission shall not be bound by oral explanations or instructions given at any time during the competitive process or after award.

5. **REFERENCE TO OTHER DATA:** Only information that is received in response to this RFP will be evaluated; reference to information previously submitted shall not be evaluated.
6. **ELABORATE PROPOSALS:** Elaborate proposals in the form of brochures or other presentations beyond that necessary to present a complete and effective proposal are not desired. In an effort to support the sustainability efforts of the State of North Carolina we solicit your cooperation in this effort. We prefer that all responses meet the following requirements:
 1. All copies are printed double-sided.
 2. All submittals and copies are printed on recycled paper with a minimum post-consumer content of 30% and indicate this information accordingly on the response.
 3. Unless absolutely necessary, all proposals and copies should minimize or eliminate use of non-recyclable or non re-usable materials such as plastic report covers, plastic dividers, vinyl sleeves, and GBC binding. Three-ringed binders, glued materials, paper clips, and staples are acceptable.
 4. Materials should be submitted in a format that allows for easy removal and recycling of paper materials.
7. **COST FOR PROPOSAL PREPARATION:** Any costs incurred by Respondents in preparing or submitting offers are the Respondents' responsibility; Respondents will not be reimbursed for any costs incurred prior to award.
8. **TIME FOR ACCEPTANCE:** Each proposal shall state that it is a firm offer to enter into the attached MOA which may be accepted by the Commission within a period of 90 days. Although the MOA is expected to be awarded prior to that time, the 90-day period is requested to allow for unforeseen delays.
9. **TITLES:** Titles and headings in this RFP and the attached MOA are for convenience only and shall have no binding force or effect.
10. **CONFIDENTIALITY OF PROPOSALS:** In submitting its proposal the Respondent agrees not to discuss or otherwise reveal the contents of the proposal to any source outside of the Commission until after the public announcement of the award of the MOA. Respondents not in compliance with this provision may be disqualified, at the option of the Commission, from MOA award. Only discussions authorized by the Commission are exempt from this provision.
11. **RIGHT TO SUBMITTED MATERIAL:** All responses, inquiries, or correspondence relating to or in reference to the RFP, and all other reports, charts, displays, schedules, exhibits, and other documentation submitted by the Respondents shall become the property of the Commission when received.

12. **RESPONDENT'S REPRESENTATIVE:** Each Respondent shall submit with its proposal the name, address, and telephone number of the person(s) with authority to bind the firm and answer questions or provide clarification concerning the firm's proposal.
13. **SUBCONTRACTING:** Respondents may propose to subcontract portions of the work provided that their proposals clearly indicate what work they plan to subcontract and to whom, and that all information required about the prime Respondent is also included for each proposed subcontractor.
14. **PROPRIETARY INFORMATION:** Trade secrets or similar proprietary data that the Respondent does not wish disclosed to other than personnel involved in the evaluation or MOA administration will be kept confidential to the extent permitted by G.S. 132-1.3 if each relevant page is identified in boldface at the top and bottom as "CONFIDENTIAL." Any section of the proposal which is to remain confidential shall also be so marked in boldface on the title page of that section. Bid and pricing structure information may not be deemed confidential. In spite of what is labeled as confidential, the determination as to whether or not it is shall be determined by North Carolina law.
15. **HISTORICALLY UNDERUTILIZED BUSINESSES:** Pursuant to G.S. 143-48 and Executive Order #13, the Commission invites and encourages participation in this procurement process by businesses owned by minorities, women, disabled, disabled business enterprises and non-profit work centers for the blind and severely disabled.
16. **DEFINITIONS:** The definitions in Appendix 4 are incorporated into this RFP and the MOA.

Section 2

Background

The North Carolina Utilities Commission (Commission) is an agency of the State of North Carolina created by the General Assembly to regulate the rates and services of all public utilities in North Carolina. The purpose of regulation of public utilities is to protect the interest of the public to the end that adequate service may be provided at reasonable rates. The Commission's authority to regulate public utilities throughout the State is set forth in Chapter 62 of the North Carolina General Statutes, the Public Utilities Act. The Commission's seven members are appointed by the Governor and confirmed by the General Assembly.

On August 20, 2007, North Carolina enacted comprehensive energy legislation, Session Law 2007-397 (Senate Bill 3), that, among other things, established a Renewable Energy and Energy Efficiency Portfolio Standard (REPS) for this State to promote the development of renewable energy and energy efficiency. G.S. 62-133.8(i) requires the Commission to adopt rules to implement its provisions. In developing such

rules, the Commission shall, in part, "[p]rovide for the monitoring of compliance with and enforcement of the requirements of this section [REPS]" and "[d]evelop procedures to track and account for Renewable Energy Certificates, including ownership of Renewable Energy Certificates [RECs] that are derived from a customer owned renewable energy facility."

On February 29, 2008, and March 13, 2008, the Commission issued Orders in Docket No. E-100, Sub 113 adopting final and amended rules implementing Senate Bill 3. In the February 29, 2008 Order, the Commission concluded that REPS compliance would be determined by tracking RECs associated with renewable energy and energy efficiency. The Commission further concluded that a "third-party REC tracking system would be beneficial in assisting the Commission and stakeholders in tracking the creation, retirement and ownership of RECs for compliance with Senate Bill 3," and stated that "[t]he Commission will begin immediately to identify an appropriate REC tracking system for North Carolina." The Commission opened Docket No. E-100, Sub 121 in order to solicit comments and facilitate public participation in the development of NC-RETS. On November 3, 2008, the Commission heard presentations from Vendors who indicated that they might provide proposals in response to this RFP. A transcript of those presentations and handout materials are available on the Commission's Web site (www.ncuc.net, under Docket No. E-100, Sub 121).

The overall purposes of NC-RETS are to track compliance relative to the State's REPS requirements and to ensure against double-counting of RECs. G.S. 62-133.8 requires all North Carolina Electric Power Suppliers to meet a specific percentage of their customers' electricity needs via renewable energy and energy efficiency, with slight differences for the electric public utilities versus electric membership corporations (EMCs) and municipal utilities. In addition, the law sets specific requirements for use of solar energy resources, swine waste resources, and poultry waste resources. NC-RETS will be required to track each individual Electric Power Supplier's compliance against its individual statutory requirements, as well as its contribution toward the statewide aggregate requirements for swine and poultry waste resources. An overview of the REPS requirements and the Commission's rules is attached as Appendix 1 to this RFP. To the extent there is any conflict between the requirements in G.S. 62-133.8 and this document, or the requirements in the Commission's Orders in Docket No. E-100, Sub 113 and this document, the requirements in the statute and/or those Orders shall apply. (See Orders dated February 29, 2008; March 13, 2008; November 26, 2008; May 7 and 8, 2009; June 17, 2009; July 13, 2009; July 29, 2009; and September 22, 2009, via the Commission's web site: www.ncuc.net.)

All of the services covered in this RFP shall be paid for via billings to generators and Electric Power Suppliers via a pricing structure to be proposed by the Respondent and/or the Commission and approved by the Commission, and no costs or fees shall be paid by the Commission, the State of North Carolina, or members of the Public. Billings will not commence until after the Commission communicates to the selected Vendor that NC-RETS meets the RFP requirements following 1) successful migration of historic

generation data, and 2) two consecutive months of successful energy production data transfers, and 3) one successful round of REC issuances.

Section 3

Scope of Work

The entire work being requested of Respondent is to:

- (1) Design, build and implement an Internet-based electronic information system called the North Carolina Renewable Energy Tracking System (NC-RETS) by July 1, 2010;
- (2) Operate and maintain NC-RETS;
- (3) Develop User processes and documentation, and provide training and training materials for Users;
- (4) Facilitate periodic meetings of and address issues raised by a group of Users and/or the Commission;
- (5) Operate a telephonic help desk during business hours; and
- (6) Provide reports as discussed below.

Each of these requirements is discussed in more detail below.

(1) Design, build and implement an Internet-based electronic information system called the North Carolina Renewable Energy Tracking System (NC-RETS)

The primary purposes of NC-RETS are to allow Electric Power Suppliers, Renewable Energy Facilities, North Carolina regulators, and the general Public to track the creation and retirement of RECs and to facilitate the auditing of REPS compliance by the Public Staff. A summary of the major provisions of the REPS statutes is attached as Appendix 1 to this RFP and incorporated herein. Additional information may be found in the Commission's orders, which are available via its web site (www.ncuc.net) under "Dockets" (Docket No. E-100, Sub 113). Detailed technical and functional requirements for NC-RETS are provided in the attached Appendix 2 to this RFP and are incorporated by reference.

NC-RETS must be able to accommodate a variety of user types, including North Carolina Electric Power Suppliers, electricity generators (some of which are also Electric Power Suppliers), thermal energy facilities, regulators/auditors and members of the Public.

NC-RETS must be able to facilitate the transfer of RECs to and from the REC tracking system operated by ERCOT, the PJM-GATS system, the North American Renewables Registry and the M-RETS system, within two months of becoming operational. NC-RETS must be able to facilitate transfers with additional REC tracking systems within two months of receiving such a request from an NC-RETS Account Holder. The selected Vendor shall work with other tracking systems to develop and

post on the NC-RETS web site the necessary protocols (work process steps) for effectuating such transfers.

NC-RETS shall provide Account Holders with secure, password-protected access to their information. NC-RETS shall provide all Users with secure, password-protected access to REPS information. Members of the Public will not need a password in order to access the material listed in Appendix 3.

Each Respondent shall provide its proposed Terms of Use (TOU) Agreement and an Interface Control Document that describes the terms and conditions under which it proposes that Users would agree to provide data, exchange information and conduct business with the Respondent and NC-RETS. These documents are for review and approval by the Commission as part of the Vendor selection process. The Vendor shall not make material changes to the TOU Agreement or Interface Control Document without the Commission's written approval. The Interface Control Document will identify facilities registered with the Commission whose production data may be submitted to NC-RETS, as well as the protocols for collecting information, such as meter IDs, data format, communication protocols and timing, and security requirements for data collection. The Respondent's proposal will describe its plans for working with Users to verify information and address specific requirements.

Each Respondent shall provide a Statement of Work for Commission acceptance and approval for system build and implementation. The Statement of Work shall include a schedule for meetings, milestone reports, system testing, training and operations. This schedule shall assure that NC-RETS is in system testing phase no later than June 1, 2010; that Users have been trained no later than June 15, 2010; and NC-RETS is operational by July 1, 2010.

(2) Operate, maintain and administer NC-RETS.

The Respondent shall demonstrate how it will provide REC tracking services through operation, maintenance and administration of the NC-RETS. See the Technical and Functional Requirements in Appendix 2. The Respondent shall demonstrate how it will bill Account Holders to collect the bid amounts and how it will settle such bills with them.

(3) Develop User processes and documentation, and provide training and training materials for Users.

The selected Vendor shall meet with Users and review Commission rules and orders in order to develop processes for Users and the Public, as appropriate, that provide step-by-step instructions on how to:

1. Establish Accounts in NC-RETS
2. Migrate historic facility production data into NC-RETS for creation of RECs, including information regarding actual fuels used for those facilities where some fuel use does not qualify for RECs

3. Migrate on-going facility production data into NC-RETS for creation of RECs, including information regarding actual fuels used for those facilities where some fuel use does not qualify for RECs
4. Transfer RECs among NC-RETS Account Holders
5. Transfer RECs from NC-RETS to another tracking system
6. Transfer RECs from another tracking system into NC-RETS
7. Input energy efficiency/demand side management information into NC-RETS
8. Retire RECs, both coincident with and independent from using them for REPS compliance
9. Access and/or compile compliance-related reports

(4) Facilitate periodic meetings of and address issues raised by a group of Users and/or the Commission.

The selected Vendor shall facilitate regular meetings (initially monthly) with NC-RETS Users and North Carolina regulators to discuss system start-up issues, and provide training as needed. The Respondent will demonstrate how it will work with Users to provide assistance on technical issues, work processes and changes to the system or work processes necessitated by changes in North Carolina law or interpretations by the Commission, other general improvements, and requests for additional system functionality. The Respondent will demonstrate how it would implement, operate, and maintain such changes, improvements, and additional functionality in NC-RETS as requested by the Commission or the User group. The Respondent shall demonstrate how it will interact with the User group, the Public, and Account Holders.

Respondent will periodically review the processes with Users and publish updates. Respondent will make the work processes available to Users and the general Public via the Internet.

(5) Operate a telephonic help desk during business hours.

The selected Vendor will provide a telephonic help desk available from 8 a.m. to 5 p.m. ET, Monday through Friday (excluding national holidays) via which Users may access trained technical experts for assistance with NC-RETS, their Accounts and their billings.

(6) Provide reports

The selected Vendor will be required to provide: (a) written progress reports to the Commission according to the scheduled project milestones on the Vendor Statement of Work during project development; and (b) written annual reports (and oral presentations at the Commission's request) to the Commission during the term of the MOA detailing revenues collected compared to its bid price, as well as statistical information regarding the operation and use of NC-RETS.

Section 4

Requirements of Respondent and Evaluation Criteria:

The Commission intends to sign a MOA with a single Respondent based on all items outlined in the RFP. The Commission will evaluate the proposals on the following criteria:

1. Respondents must demonstrate a broad base of experience in the following work areas:
 - a. Designing, implementing, operating and administering REC tracking systems or other large-scale Internet-based systems that process and manage electric generation data and, preferably, energy efficiency data.
 - b. Developing documentation and implementing training programs for system Users that address user processes and system functions.
 - c. Providing telephonic help desk functionality in a helpful, professional manner.
 - d. Respondents must provide at least three references, with the understanding that the Commission, may, at its discretion, contact the references for further information.
2. Respondents must demonstrate the capacity to provide the services requested within the required timeframes. Respondents must provide a staffing plan and demonstrate the organizational capacity to produce the work products on time. The Commission will consider the quality of the Respondent's proposed plan of action to complete the project and administer NC-RETS over the MOA term. Each Respondent shall demonstrate in its proposal that the firm, its management and employees are experienced and competent and have the background, training and experience to perform the services required by this RFP.
3. Respondent's must demonstrate they have financial stability, including the ability to complete the project and operate NC-RETS over the MOA term. Respondent shall provide three years worth of year-end balance sheets and income statements or other acceptable proof of financial stability. The Commission reserves the right to request additional information if balance sheets and income statements are not provided.
4. The Respondent must present a thorough and credible technical approach to the project as demonstrated by: 1) a complete, technically sound proposal; 2) the skills and plans needed to protect the integrity of data in NC-RETS and to protect Users' information technology; 3) an approach that assures NC-RETS will be user friendly; and 4) a demonstrated knowledge of the unique aspects of North Carolina's REPS requirements.
5. Respondent's willingness and ability to make reasonable system changes over time as requested by the Commission and Users and within the committed to bid

prices. Vendors should provide examples of the types and quantities of system changes they would consider within the scope and pricing of this RFP and the related MOA.

6. Total cost over the life of the MOA that is reasonable and competitive with that of other qualified vendors and a pricing structure that is equitable to both large and small Account Holders. The Commission reserves the right to select the Vendor that is not necessarily the lowest cost, but that offers the best overall value for Users.
7. A Terms of Use (TOU) Agreement, Interface Control Document with terms and conditions that are fair and appropriate. The Commission reserves the right to require changes to these documents as a pre-condition of awarding the MOA.
8. Acceptance of the Commission's MOA with a minimum of changes, and robust explanations for any and all proposed changes.

Section 5

Review and Evaluation Process

1. The package containing the Proposal from each responding firm will be publicly opened and the name of each Respondent will be announced. Respondents will receive an e-mail notification of the proposal opening meeting. A meeting notice will also be posted on the Commission's web site.
2. Failure to furnish any required information with a proposal is grounds for rejection, at the option of the Commission. The Commission reserves the right to engage the assistance of stakeholders in evaluating the proposals but will make the ultimate selection of a Vendor itself.
3. Proposals shall be evaluated against the criteria listed above and all of the requirements in this RFP. The Commission reserves the right to contact the Respondent's references during its evaluation process. Proposals shall be evaluated by Commission Staff with input from a Proposal Review Team selected from among participants in the Commission's on-going Stakeholder and User Group. The Proposal Review Team shall be led by Commission Staff. The Commission Staff shall make a recommendation to the Commission, which recommendation shall be maintained as confidential until it is publicly announced. The Proposal Review Team will seek input from a separate sub-team that shall evaluate only the Terms of Use and Interface Control Documents submitted by each Respondent with its Proposal. The sub-team shall distribute the Respondents' TOUs and Interface Control Documents and solicit input from other Users.

4. At its option, the Commission may request oral presentations or discussion with any or all Respondents for the purpose of clarification or to amplify the materials presented in any part of the proposal. However, Respondents are cautioned that the Commission is not required to request clarification; therefore, all proposals should be complete and reflect the most favorable terms available from the Respondent.
5. At its discretion, the Commission may authorize a Commission attorney to negotiate with one or more Respondents.
6. Award of a MOA to one Respondent does not mean that the other proposals lacked merit, but that, all factors considered, the selected proposal was most advantageous to the Commission and Users of the system.
7. The Commission may initiate proceedings to debar a Respondent from participation in the RFP process and from MOA award as authorized by North Carolina law, if it is determined that the Respondent has refused to disclose or has falsified any information provided in response to this RFP.
8. After the Commission has reviewed Staff's recommendation, the Chairman of the Commission will accept a Respondent's proposal by signing and dating an MOA.
9. Except as provided herein, Respondents are prohibited from communicating directly with Commissioners, Commission Staff or members of the Proposal Review Team or sub-team regarding anything other than procedural matters. Such communications could lead to a Respondent being disqualified. If a violation occurs, Commission Staff shall notice it on the Commission's web site under Docket No. E-100, Sub 121.

Section 6

Proposal Requirements

1. Each Respondent shall provide one original and fourteen (14) copies of its proposal, which shall be delivered in a sealed package. Each original shall be signed and dated by an official authorized to bind the firm. Unsigned proposals will not be considered. Each package shall be labeled with the name of the Respondent, the using agency (the North Carolina Utilities Commission), and the closing date. The envelope shall be addressed to Renne Vance, Chief Clerk, North Carolina Utilities Commission, at the address listed on Page 1.
2. All proposals must be received not later than the date and time specified on the cover sheet of this RFP. Refer to the cover page for mailing/delivery instructions.

3. Respondents are cautioned that the Commission reserves the unqualified right to reject any and all proposals when such rejection is deemed to be in the best interest of the Commission and/or the North Carolina Renewable Energy Certificate Tracking System Stakeholders.

4. Proposal Requirements:

- a. Table of Contents.
- b. Background and Experience. This section will include background information on the Respondent and details of experience in providing the six services outlined in the Scope of Work (Section 3). Respondent should provide names and contact information of at least three references who can be contacted by the Commission.
- c. Project Staffing and Organization. This section must include the proposed staffing, deployment and organization of personnel to be assigned to this project, both during development and during on-going operations. The Respondent shall provide the credentials of the executive, managerial, and professional personnel to be assigned to this project, and the responsibilities to be assigned to each person.
- d. Technical and Functional Approach. This section shall include, in narrative, outline, and/or graphic form, the Respondent's approach to accomplishing the tasks outlined in the Scope of Work section of this RFP and the Technical and Functional Requirements delineated in Appendix 2 and Appendix 3. A description of each task and deliverable and the schedule for accomplishing each shall be included.
- e. User Approach. This section should include a narrative regarding how the Vendor intends to work with Users, including the types and quantities of User-requested system changes it would consider to be within the scope and pricing of this RFP and the related MOA.
- f. Terms of Use Agreement and Interface Control Document. The Respondent will provide its proposed Terms of Use Agreement that it would enter into with system Users if selected as the Vendor, as well as the Interface Control Document that it would use to collect data from facilities prior to accepting their production data and generating RECs on their behalf.
- g. Outsourcing. The Respondent must indicate what services, if any, could not be done in-house and would have to be subcontracted. The Respondent must detail the manner in which it intends to use resources or workers located outside of the United States, and the Commission will evaluate the additional risks, costs and other factors associated with such use to make the award for this proposal as deemed by the Commission to be in the best interest of the State.
- h. Location. The location of work to be performed under this MOA by the Respondent, any subcontractors, employees, or other persons performing the work. The Service Location page (see page 16) must be completed and included.

- i. **Corporate Structure.** The organization's corporate structure, including an organization chart with names of all executives and other relevant management. The Respondent shall disclose the location of employees or any subcontractors that might be involved in NC-RETS. Respondent shall also describe its organization's general business activities as well as those of its affiliates.
- j. **Execution Page.** The Execution Page (see page 15) must be signed and included in the Proposal.
- k. **Bid Prices.** The Respondent will provide a bid for NC-RETS system development, and start-up services, including initial User process documentation and training services. In addition, the Respondent will provide a separate price, for each year through 2014, for all of the on-going services required in this RFP.
- l. **User Fee Schedule.** The Respondent will propose an approach or several options to user fees designed to separately recover 1) NC-RETS development and start-up service costs, 2) on-going NC-RETS service costs, and 3) batch data upload costs. The Commission is interested in a pricing schedule whereby North Carolina's Electric Power Suppliers exclusively would pay for NC-RETS development and start-up costs, with options for each supplier to pay its share over time or as a lump sum. For whatever pricing schedule(s) the Respondent proposes, the Respondent shall demonstrate how those pricing schedule(s) could reasonably be expected to result in payments to the Respondent that equal the prices that it bids for its on-going, annual services. For on-going NC-RETS services, the Commission is interested in the following options:
 - i. That the issuance of each REC be priced the same.
 - ii. That the issuance of each REC be via a price schedule based on the size of the facility, with smaller facilities paying less (possibly nothing for very small facilities) per REC and larger facilities paying more.
 - iii. A price schedule for establishing Accounts for facilities, with those prices being the same for all facilities, regardless of size.
 - iv. A price schedule for establishing Accounts for facilities, with those prices being lower for smaller facilities (possibly nothing for very small generators) and higher for larger facilities.
 - v. A price schedule for importing or exporting RECs from/to other tracking systems.
 - vi. A price schedule for transferring RECs from one Account Holder to another within NC-RETS.
 - vii. A price schedule for retiring RECs.
 - viii. A price schedule for creating energy efficiency and demand-side management RECs.
- m. **Statement of Work.** The Respondent will provide a Statement of Work which shall include a milestone schedule with progress reports, meetings, system testing, User training, and operations. This Schedule shall

assume the Commission selects a Vendor by February 1, 2010. The Schedule shall include the following: (1) system testing no later than June 1, 2010; (2) User training no later than June 15, 2010; (3) NC-RETS operational no later than July 1, 2010; and (4) historic production data migrated into NC-RETS by October 1, 2010.

EXECUTION OF PROPOSAL

(This page must be signed and included with the Proposal.)

By submitting this proposal, the Respondent certifies the following:

- a. This Proposal is signed by an authorized representative of the Respondent.
- b. The cost and availability of all equipment, materials, and supplies associated with performing the services described herein have been determined and included in the bid prices.
- c. All labor costs, direct and indirect, have been determined and included in the bid prices.
- d. The Respondent has read and understands the conditions set forth in this RFP, including the MOA, and agrees to them, except as specifically noted and explained in its proposal.

Therefore, in compliance with this Request for Proposals, and subject to all conditions herein, the undersigned agrees, if this Proposal is accepted within 90 days from the closing date for proposals, to furnish the subject services under its proposed pricing structure.

BY: _____ TITLE: _____ DATE: _____
(Signature)

(Typed or printed name) E-MAIL ADDRESS: _____

RESPONDENT ORGANIZATION: _____

FEDERAL EMPLOYER IDENTIFICATION NUMBER: _____

PRINCIPAL PLACE OF BUSINESS: _____

CONTACT PERSON: _____

ADDRESS: _____

CITY, STATE, ZIP: _____

TELEPHONE NUMBER: _____ FAX NUMBER: _____

CONTACT PERSON E-MAIL: _____

SERVICE LOCATION(S)

This form is to be completed and submitted with the Respondent's Proposal.

.....

Issuing Agency: North Carolina Utilities Commission
RFP for NC-RETS
Agency Contact: Renne Vance, Chief Clerk

Types of Services: Development and Operations of Renewable Energy Tracking System, User Process and System Use Documentation, Training, Stakeholder Facilitation, Reports, Telephonic Help Desk and Reasonable System Changes

RESPONDENT: _____

City & State: _____

Location(s) from which services would be performed by the Respondent:

Service(s)	City/Province/State	Country
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Location(s) from which services would be performed by subcontractor(s):

Service	Subcontractor	City/Province/State	Country
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(Attach additional pages if necessary.)

Section 7

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (MOA or Agreement) made and entered into this _____ day of _____, _____, between the North Carolina Utilities Commission and _____ (Vendor) is to provide for the development, implementation, and operation of the North Carolina Renewable Energy Tracking System (NC-RETS).

1. **TERM.** The initial term of this MOA shall be through December 31, 2013. The parties may extend this MOA upon mutual written agreement.
2. **AGREEMENT ADMINISTRATOR.** The Commission's Agreement Administrator and liaison for the Agreement will be Sam Watson. Commission approval required under this Agreement shall be acknowledged in writing by the Agreement Administrator. The Commission shall promptly notify the Vendor in writing with any change to the Agreement Administrator.
3. **INDEPENDENT CONTRACTOR:** The Vendor shall be considered to be an independent contractor and, as such, shall be wholly responsible for its obligations under this MOA and for the supervision of its employees. The Vendor represents that it has, or will secure at its own expense, all personnel required in performing the services under this Agreement. Such employees shall not be employees of, or have any individual contractual relationship with, the Commission or the State of North Carolina.
4. **KEY PERSONNEL:** The Vendor shall not substitute key personnel assigned to the performance of this MOA without prior written approval by the Commission. The individuals designated as key personnel for purposes of this MOA are those specified in the Vendor's Proposal.
5. **SUBCONTRACTING:** Work proposed to be performed under this MOA by the Vendor or its employees shall not be subcontracted without the prior written approval of the Commission. Acceptance of the Vendor's Proposal shall be deemed acceptance of any subcontractor(s) specified therein.
6. **OUTSOURCING:** The Vendor shall not outsource any portion of the work to a location outside the United States without the prior written approval of the Commission. The Vendor or any subcontractor providing telephone help desk services under this MOA shall, upon request, disclose to inbound callers the location from which the call or contact center services are being provided.
7. **WORK PRODUCT:** Except as otherwise provided herein, the Vendor shall assign all right, title and interest to any products of the services performed by

Vendor under this MOA ("Work Product") to the Commission. The Commission grants to the Vendor a non-exclusive, royalty-free license to use the Work Product solely for the Vendor to perform the services required under this MOA during the term of this MOA. Work Product shall not include any right, title or interest in and to: (a) any materials (including, but not limited to, ideas, inventions, know-how, processes, methods, trade secrets, works of authorship, designs, images, software (source and object code), HTML, drawings, processes or information) developed by or for the Vendor independently of this MOA ("Vendor Technology"), or (b) any materials (including, but not limited to, ideas, inventions, know-how, processes, methods, trade secrets, works of authorship, designs, images, software (source and object code), HTML, drawings, processes, or information) owned or controlled by a third party ("Third Party Technology") used in connection with the Work Product. All rights, title and interests worldwide in and to any and all Vendor Technology and Third Party Technology (including, without limitation, all copyrights, trademarks, service marks, trade secrets, patents, and all other intellectual and proprietary rights of every kind or nature and all goodwill associated therewith) shall remain the property of the Vendor or the applicable third party, as the case may be. The Vendor hereby grants to the Commission a non-exclusive, royalty-free license (or, in the case of third party software, sublicense) to operate and use Vendor Technology and Third Party Technology to the extent necessary for the Users and the Public to operate and use the Work Product during the term of this MOA. Upon contract termination or upon request, the Vendor shall provide the Commission, Users, and the Public with an electronic copy of the then-current User processes and training materials.

8. **INTELLECTUAL PROPERTY RIGHTS:** The Vendor acknowledges and agrees that any software, product, technology, invention, patent, copyright, trade secret or any other proprietary or intellectual property, and any derivative work, update, upgrade, revision, modification, improvement, addition or enhancement of any of the foregoing, developed by Vendor in the performance of its services hereunder (including, but not limited to, the creation of any deliverables), are and shall remain the exclusive property of the Commission, and all right, title and interest in and to such services and deliverables will be owned by the Commission, to the extent such services, deliverables, and intellectual property rights are Work Product (as defined above). No deliverable items produced in whole or in part under this Agreement shall be the subject of an application for copyright (or similar action to establish or affirm ownership) by or on behalf of the Vendor. The Vendor will execute such documents, and take such other actions as the Commission shall reasonably request to facilitate the efforts of the Vendor to register or otherwise pursue any intellectual property rights in the Work Product.
9. **PERFORMANCE AND DEFAULT:** If, through any cause, the Vendor shall fail to fulfill in a timely and proper manner the obligations under this Agreement, the Commission shall thereupon have the right to terminate this Agreement by giving written notice to the Vendor and specifying the termination date thereof, except

as otherwise set forth herein. In that event, all Work Product (including, but not limited to, finished or unfinished deliverable items) under this MOA shall remain the property of the Commission, and the Vendor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials prior to the termination date. In the event performance is reasonably determined by the Commission to be unsatisfactory, the Commission shall so notify the Vendor in writing, with specific details thereof. The Vendor shall correct such deficiencies as soon as reasonably possible thereafter. The Commission may terminate this Agreement as provided herein upon the Vendor's failure to correct such deficiencies in a timely manner. In case of default by the Vendor, the Commission may procure the services from other sources and hold the Vendor responsible for any excess cost occasioned thereby. Upon the Vendor filing a petition for bankruptcy or the entering of a final judgment of bankruptcy by or against the Vendor, the Commission may immediately terminate this Agreement, upon written notice to the Vendor specifying the termination date. Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations due to any cause beyond its reasonable control, including, without limitation, any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

10. **TERMINATION:** In addition to the Commission's right to immediately terminate this Agreement in certain circumstances, as provided herein, either party may terminate this Agreement at any time, for any reason or no reason, upon 180 days notice in writing to the other party. Except as provided in the case of default, if the MOA is terminated by the Commission, the Vendor shall be paid for services satisfactorily completed, less payment or compensation previously made. The Vendor shall provide the Commission with copies of all source code, documentation, and other materials required to fully operate NC-RETS, and shall cooperate and take such steps as are reasonably necessary to ensure a proper transition of the operation of NC-RETS to the Commission or another third party vendor.
11. **ACCEPTANCE AND PAYMENT TERMS:** Payment terms shall be established via the pricing structure proposed by the Vendor and accepted by the Commission, and as contracted between the Vendor and NC-RETS Users via the Terms of Use Agreement. Neither the State of North Carolina nor the Commission shall be responsible for any payments to the Vendor. Acceptance of NC-RETS by the Commission shall not occur and billings to NC-RETS Users will not commence until after the Vendor has delivered NC-RETS to the Commission and Users and the Commission communicates to the Vendor that NC-RETS has performed for two consecutive months in substantial conformance with the requirements and specifications set forth in this Agreement, and any amendments thereto. In the event that during the two months immediately following the delivery of NC-RETS by the Vendor to the Commission and Users,

NC-RETS fails to materially conform to the terms of this Agreement, the Commission shall provide written notice to the Vendor within 10 days after the end of such two-month period identifying all material defects in NC-RETS or shall be otherwise deemed to have accepted NC-RETS. The Vendor shall use its commercially reasonable efforts to promptly correct the defects specified in the Commission's notice within 20 days of receipt of such notice. When the Vendor believes it has made the necessary corrections, the Vendor shall again deliver NC-RETS to the Commission and Users and the Commission shall repeat the acceptance process set forth above. If the Commission shall reject NC-RETS for a second time, it may terminate this Agreement for cause upon written notice to the Vendor.

If, in any given calendar year, total revenues billed by the Vendor via on-going service fees are five percent or more less than the price that the Vendor bid for providing services in that year, the Vendor may propose to the Commission revisions to its pricing schedule that would be instituted on a going forward basis. Such a proposal shall include worksheets that demonstrate that the new fees could reasonably be expected to collect the bid amount without imposing unreasonable charges on Users. Similarly, if, in any given calendar year, total revenues billed by the Vendor via on-going service fees are five percent or more greater than the price that the Vendor bid for providing services in that year, the Vendor shall, by March 1 of the subsequent year, propose revisions to its pricing schedule and include worksheets that demonstrate that the new fees could reasonably be expected to collect the bid amount. Users shall have an opportunity to challenge before the Commission any Vendor proposal for changing service fees.

12. VENDOR'S REPRESENTATIONS AND WARRANTIES:

Vendor represents and warrants to the Commission that:

- (a) It has the authority to enter into and fully perform this MOA, and that no agreement or understanding with any other person, firm or corporation exists that would interfere with Vendor's obligations hereunder;
- (b) In the course of providing services under this MOA, neither it nor any of its employees, subcontractors or agents will violate or infringe on any patent, copyright, trademark, trade secret or other proprietary right of any third party;
- (c) It will not intentionally breach any confidentiality obligation in disclosing any information to the Commission, any Electric Power Supplier, stakeholder, or any other NC-RETS User in connection with the services performed hereunder; and
- (d) It will comply with all applicable federal, state and local laws, regulations, rules and ordinances in the performance of its obligations hereunder.

OTHER THAN THE EXPRESS WARRANTIES SET FORTH HEREIN, THE VENDOR MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, WITH RESPECT TO ANY SERVICES OR PRODUCTS SUPPLIED UNDER THIS AGREEMENT AND EXPRESSLY DISCLAIMS ANY AND ALL OTHER WARRANTIES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

13. **CARE OF DATA:** The Vendor agrees that it shall be responsible for the proper custody and care of any data furnished to it for use in connection with the performance of this MOA, either by the Commission, the Public Staff or by other NC-RETS Users. Data integrity is of the utmost importance in the execution of this Agreement, and the Vendor shall take reasonable actions to insure that data integrity is maintained.
14. **DATA OWNERSHIP:** All REC data, energy production data, energy efficiency data, and compliance data that is submitted to NC-RETS or created by NC-RETS is the property of the respective Account Holders. The Account Holders, the Public Staff and the Commission shall have access to all such data, as appropriate, during the term of this MOA and at its termination.
15. **ACCESS TO PERSONS AND RECORDS:** The Commission shall have reasonable access to all of the Vendor's personnel assigned to the performance of services under the MOA and to all of the Vendor's records related to NC-RETS or produced as a result of this MOA. The Vendor shall retain all such records for a period of ten years following completion of the MOA. The Vendor shall give the Commission the opportunity to take possession of any such records prior to destroying them.
16. **INSURANCE:** During the term of the MOA, the Vendor at its sole cost and expense shall provide commercial insurance of such type and with such terms and limits as may be reasonably associated with the MOA. At a minimum, the Vendor shall provide and maintain throughout the term of this Agreement the following coverage and limits: a) Worker's Compensation – The Vendor shall provide and maintain Worker's Compensation Insurance, as required by the laws of North Carolina or the laws of the state(s) where the Vendor's employees are located, as well as employer's liability coverage with minimum limits of \$150,000.00, covering all of the Vendor's employees who are engaged in any work under the MOA. If any work is subcontracted, the Vendor shall require the subcontractor to provide the same coverage for any of its employees engaged in any work under the MOA. b) Commercial General Liability – General Liability Coverage on a Comprehensive Broad Form on an occurrence basis in the minimum amount of \$500,000.00 Combined Single Limit. (Defense cost shall be in excess of the limit of liability.) c) Automobile – Automobile Liability Insurance, to include liability coverage, covering all owned, hired and non-owned vehicles, used in connection with the MOA. The minimum combined single limit shall be

\$150,000.00 bodily injury and property damage; \$150,000.00 uninsured/underinsured motorist; and \$1,000.00 medical payment. Providing and maintaining adequate insurance coverage is a material obligation of the Vendor and is of the essence of this MOA. All such insurance shall meet all laws of the State of North Carolina or the laws of the state(s) where the Vendor's employees are located. Such insurance coverage shall be obtained from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in North Carolina or by the laws of the state(s) where the Vendor's employees are located. The Vendor shall at all times comply with the terms of such insurance policies, and all requirements of the insurer under any such insurance policies, except as they may conflict with existing North Carolina laws or this MOA. The limits of coverage under each insurance policy maintained pursuant to this MOA shall not be interpreted as limiting the Vendor's liability and obligations under the MOA.

17. **INDEMNITY:** The Vendor shall hold and save the State of North Carolina, its officers, agents, the Commission, and its employees ("Indemnitees") harmless from liability of any kind, including all claims and losses accruing or resulting to any other person, firm, or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this MOA, and from any and all claims and losses accruing or resulting to any person, firm, or corporation that may be injured or damaged by the Vendor in the performance of this MOA and that are attributable to the Vendor's breach of this Agreement or to the Vendor's negligence or intentionally tortious acts; provided, however, that the Vendor is notified in writing within 60 days of the Commission receiving written notice of such claims. The Vendor represents and warrants that it shall make no claim of any kind or nature against the Commission's agents who are involved in the delivery or processing of Vendor goods to the Commission or other Users of NC-RETS. The representation and warranty in the preceding sentence shall survive the termination or expiration of this MOA.
18. **LIMITATION OF LIABILITY:** NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, STATUTORY LIABILITY OR OTHERWISE, ARISING OUT OF OR IN CONNECTION WITH THE DELIVERY OR USE OF THE SERVICES PROVIDED HEREUNDER, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOST PROFITS, EARNINGS, REVENUE, USE, DATA, CONTRACT, OR GOOD WILL, EVEN IF THAT PARTY HAS KNOWLEDGE OF THE POSSIBILITY OF SUCH DAMAGES.
19. **ADVERTISING:** Vendor agrees not to use the existence of this MOA, the names of NC-RETS Users, the name of the Commission, or the name of the State of North Carolina as part of any commercial advertising without the Commission's prior written consent.

20. **ASSIGNMENT:** No assignment of the Vendor's obligations hereunder shall be permitted without the consent of the Commission.
21. **COMPLIANCE WITH LAWS:** The Vendor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.
22. **AFFIRMATIVE ACTION:** The Vendor shall take affirmative action in complying with all federal and state requirements concerning fair employment and employment of people with disabilities, and concerning the treatment of all employees without regard to discrimination by reason of race, color, religion, sex, national origin, or disability.
23. **TAXES:** The Vendor certifies that it and all of its affiliates, if any, collect(s) and/or will collect and tender all appropriate taxes to the appropriate authorities.
24. **SITUS:** The place of this MOA, its situs and forum, shall be North Carolina, where all matters, whether sounding in contract or tort, relating to its validity, construction, interpretation and enforcement shall be determined.
25. **GOVERNING LAW:** This MOA is made under and shall be governed and construed in accordance with the laws of the State of North Carolina without regard to conflicts-of-laws principles that would require the application of any other law.
26. **NOTICE OF RELOCATION:** The Vendor shall give written notice to the Commission in advance of any relocation of the Vendor, key employees of the Vendor, key subcontractors of the Vendor, or other key personnel performing services under this MOA outside of the United States.
27. **MOA DOCUMENT:** This MOA shall be deemed to include, by verbatim incorporation, the following documents: (a) The Commission's Request for Proposal, dated October 19, 2009; (b) the Vendor's Proposal, including its Bid Price and Pricing Structure Proposal, Terms of Use Agreement and Interface Control Document; (c) the Commission's acceptance of Proposal; and (d) any written amendments to the MOA which may be issued. The Vendor shall not make any material changes to any of these documents and agreements without the Commission's approval.
28. **ENTIRE AGREEMENT:** This MOA and the documents incorporated specifically by reference represent the entire Agreement between the parties and supersede all prior oral or written statements or agreements. All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the MOA expiration or termination date unless

specifically provided otherwise herein, or unless superseded by applicable federal or state statutes of limitation.

29. **AMENDMENTS:** This MOA may be amended only by written amendments duly executed by the Commission and the Vendor. Each amendment must be signed by both the Vendor and the Commission.

SIGNED BY:

North Carolina Utilities Commission

BY: _____ TITLE: _____ DATE: _____

(Vendor)

BY: _____ TITLE: _____ DATE: _____

North Carolina Renewable Energy and Energy Efficiency Portfolio Standard (REPS) Major Provisions

Note: This Summary is intended to accurately represent SB 3 and the Commission's rules and interpretive orders as of the date of RFP issuance. It is subject to change.

Introduction and Background

On August 20, 2007, North Carolina enacted comprehensive energy legislation, Session Law 2007-397 (Senate Bill 3), that, among other things, establishes a Renewable Energy and Energy Efficiency Portfolio Standard (REPS) for this State to promote the development of renewable energy and energy efficiency. G.S. 62-133.8(i) requires the Commission to adopt rules to implement the provisions of this section. In developing such rules, the Commission shall, in part:

(1) Provide for the monitoring of compliance with and enforcement of the requirements of this section [REPS]....

(7) Develop procedures to track and account for renewable energy certificates, including ownership of renewable energy certificates that are derived from a customer owned renewable energy facility....

On February 29, 2008, and March 13, 2008, the Commission issued Orders in Docket No. E-100, Sub 113 adopting final rules implementing Senate Bill 3. On November 26, 2008, May 7, 2009, May 8, 2009, June 17, 2009, July 13, 2009, July 27, 2009, and September 22, 2009, the Commission issued Orders in that docket further interpreting Senate Bill 3.

The following sections summarize the major provisions of the REPS statute, as interpreted by the Commission.

Requirements for Electric Public Utilities¹

In calendar years:	REPS requirement:
2012, 2013, 2014	3% of prior year's actual North Carolina retail sales
2015, 2016, 2017	6% of prior year's actual North Carolina retail sales
2018, 2019, 2020	10% of prior year's actual North Carolina retail sales
2021 and thereafter	12.5% of prior year's actual North Carolina retail sales

¹ Electric public utilities include Duke Energy Carolinas, LLC (Duke); Progress Energy Carolinas, Inc. (PEC); and Virginia Electric and Power Company, d/b/a Dominion North Carolina Power (Dominion). Dominion is a member of PJM.

An electric public utility may meet the REPS requirement by:

- a. Generating electric power at a New Renewable Energy Facility (see Glossary, Appendix 4).
- b. Using a renewable energy resource to generate electric power at a generating facility other than the generation of electric power from waste heat derived from the combustion of fossil fuel.
- c. Reducing energy consumption through the implementation of an energy efficiency measure. Up to 25% of the REPS requirement through 2020 may be met through savings due to implementation of energy efficiency measures. Beginning in calendar year 2021 and each year thereafter, an electric public utility may meet up to 40% of its REPS requirement through savings due to implementation of energy efficiency measures.
- d. Purchasing electric power from a New Renewable Energy Facility. If such a facility is located outside of North Carolina, the electric power must be delivered to an electric public utility that provides service in North Carolina, and the RECs cannot be sold separately to another electric public utility.
- e. Purchasing RECs from New Renewable Energy Facilities. For Duke and PEC, unbundled RECs from out-of-state facilities shall not be used to meet more than 25% of the REPS requirement. An electric public utility may not purchase RECs derived from energy efficiency to meet its REPS requirement.

Requirements for Electric Membership Corporations (EMCs) (31 entities, including 5 headquartered outside North Carolina) and Municipalities (Munis) (72 entities)

In calendar years:	REPS requirement:
2012, 2013, 2014	3% of prior year's actual North Carolina retail sales
2015, 2016, 2017	6% of prior year's actual North Carolina retail sales
2018 and thereafter	10% of prior year's actual North Carolina retail sales

EMCs and Munis may meet the REPS requirement by:

- a. Generating electric power at a New Renewable Energy Facility.
- b. Reducing energy consumption through the implementation of demand-side management or energy efficiency measures.
- c. Purchasing electric power from a Renewable Energy Facility or a hydroelectric power facility, provided that no more than 30% of the REPS

requirement may be met with hydroelectric power, including allocations made by the Southeastern Power Administration (SEPA).

- d. Purchasing RECs from renewable energy facilities. Unbundled RECs from out-of-state renewable energy facilities can be used to meet no more than 25% of the REPS requirement.
- e. Acquiring all or part of its electric power through a wholesale purchase power agreement with a wholesale supplier of electric power whose portfolio of supply and demand options meets the REPS requirement.

Statewide Requirements

RECs derived from swine waste resources and poultry waste resources apply toward both the utility-specific calendar-year requirements as well as toward statewide aggregated requirements, as shown below. In addition, Electric Power Suppliers are required to meet a certain amount of their annual REPS requirement via solar resources, as shown below.

Years	Solar Energy Resource Requirement	Swine Waste Resource Requirement (Aggregated)	Poultry Waste Resource Requirement (Aggregated)
2010	.02% of prior year's actual retail sales (about 28,000 MWh)	N/A	N/A
2011	.02% of prior year's actual retail sales (about 28,500 MWh)	N/A	N/A
2012	.07% of prior year's actual retail sales (about 100,400 MWh)	.07% of prior year's actual statewide retail sales (about 100,400 MWh)	170,000 MWh
2013	.07% of prior year's actual retail sales (about 102,000 MWh)	.07% of prior year's actual statewide retail sales (about 102,000 MWh)	700,000 MWh
2014	.07% of prior year's actual retail sales (about 103,600 MWh)	.07% of prior year's actual statewide retail sales (about 103,600 MWh)	900,000 MWh
2015	.14% of prior year's actual retail sales (about 210,600 MWh)	.14% of prior year's actual statewide retail sales (about 210,600 MWh)	900,000 MWh
2016	.14% of prior year's actual retail sales (about 214,000 MWh)	.14% of prior year's actual statewide retail sales (about 214,000 MWh)	900,000 MWh
2017	.14% of prior year's actual retail sales (about 217,300 MWh)	.14% of prior year's actual statewide retail sales (about 217,300 MWh)	900,000 MWh
2018 etc.	.20% of retail sales (about 315,500 MWh in 2018)	.20% of prior year's actual statewide retail sales (about 315,500 MWh in 2018)	900,000 MWh

Anticipated volume of RECs

Compliance Year	Estimated statewide retail sales	REPS requirement as a % of retail sales	Estimated REPS requirement
2010	136,748,000 MWh (2009 sales)	.02%	28,000 MWh
2011	138,936,000 MWh (2010 sales)	.02%	28,500 MWh
2012	141,159,000 MWh (2011 sales)	3%	4,235,000 MWh
2013	143,418,000 MWh (2012 sales)	3%	4,303,000 MWh
2014	145,712,000 MWh (2013 sales)	3%	4,371,000 MWh
2015	148,044,000 MWh (2014 sales)	6%	8,883,000 MWh
2016	150,412,000 MWh (2015 sales)	6%	9,025,000 MWh
2017	152,819,000 MWh (2016 sales)	6%	9,169,000 MWh
2018	155,264,000 MWh (2017 sales)	10%	15,526,000 MWh
2019	157,748,000 MWh (2018 sales)	10%	15,775,000 MWh
2020	160,272,000 MWh (2019 sales)	10%	16,027,000 MWh
2021 and thereafter		12.5% for electric public utilities 10% for EMCs and Munis	

Banking of RECs, Expiration of RECs, Retirement of RECs

RECs (whether or not bundled with electric power) claimed by an Electric Power Supplier to comply with the REPS requirement must have been earned (associated with energy produced) after January 1, 2008. If not created by an Electric Power Supplier, they must be purchased by an Electric Power Supplier within three years of the date they were earned. RECs shall be retired when used for REPS compliance and shall not be used for any other purpose. A REC may be used for REPS compliance in the year in which it is acquired or obtained by an Electric Power Supplier or in any subsequent year, except that an electric public utility must use a REC to comply with its REPS requirement within seven years of recovering related costs from customers.

Registration of Generators

Generating facilities whose RECs may be used for REPS compliance must register with the Commission before their generation data is accepted into NC-RETS. This includes generating facilities located outside of North Carolina, generating facilities owned by Electric Power Suppliers, generating facilities owned by customers, and generating facilities owned by other independent third parties. The Commission maintains a list of registered generators on its web site that is updated monthly, including whether the generating facility meets the definition of a New Renewable Energy Facility and whether its RECs can appropriately count toward the set-asides for solar energy resources, swine waste resources, or poultry waste resources.

NC-RETS Technical Requirements

1. The successful Respondent shall create, maintain, and operate an Internet-based REC tracking system to serve North Carolina. The Respondent must propose an Internet-based system accessible by multiple, simultaneous Users with secure login for both input and retrieval of data.
2. The Respondent must provide its proposed architectural solution. Diagrams showing major system components, their interrelationships and interfaces, and supporting diagrams and materials should be included to provide the Commission a visual, as well as a narrative, representation of the proposed technical operating environment. The Respondent must provide the following information:
 - a. Identification and description of the proposed hardware and operating system (OS) platform and components.
 - b. Identification and description of the proposed software components, including software development tools, language, technology, software version(s), database management system, commercial-off-the-shelf software products (as applicable), middleware, other software modules, standard and ad hoc reporting software, and the planned number of installations. This information must include specifying the vendor of each component (including the vendor's proprietary software components). The Respondent must identify and describe the proposed network infrastructure and components that will be used.
 - c. Specification of HTML encoding and other standards that will be used in developing and maintaining the system, and the rationale for selecting each standard that will be applied.
 - d. Description of how the system will be designed to interoperate with a standard email product, as well as a description of how the http file transfer functionality will be "built-into" NC-RETS to allow Users to submit electric generation data, Btu production data and energy efficiency/demand side management data and certification and eligibility information. NC-RETS should be designed such that Account Holders receive an email notification of any activity in their Accounts.
 - e. Description of the migration path for the system components described above that explains how the system could be upgraded or modified to support extensibility requirements in the event that the actual volume of data or number of system Users increases beyond anticipated numbers or when new functionality is added.
 - f. Description of how the system can run on multiple commercial browsers without requiring the installation of any software on Users' computers.
 - g. Description of how the Respondent proposes to migrate historic (from January 2008 until NC-RETS is fully operational) REC data into the system.
 - h. Description of the Respondent's overall approach for an integrated database design and model, including products, platform location, redundancy, and centralization. If the proposal does not offer a single, integrated database,

- the Respondent must include the data synchronization approach or other provisions for maintaining integrity between databases.
3. The Respondent must provide its proposed security and audit strategy for NC-RETS. The Respondent's proposal must provide enough detail so the Commission can evaluate the Respondent's knowledge and intended approach. The Respondent shall propose to provide, at a minimum:
 - a. A secured web portal interface with password protection for static data collection, User access, and reporting.
 - b. Restricted access privileges based on Users' roles.
 - c. Well-defined system backup and recovery processes.
 - d. Secured file transfer and data upload processes using encrypted communications for all data interfaces.
 - e. Secure processes to minimize the introduction of viruses and other cyber security threats, routine scanning for viruses and appropriate procedures to mitigate their impact and to assure Users' systems are not corrupted by migration of viruses from NC-RETS.
 4. The Respondent shall demonstrate how NC-RETS will provide an efficient, flexible way to control and administer multiple levels of system access, including a method for defining roles-based authorizations (permissions) for all system components. The proposal must identify and describe at least the following:
 - a. Proposed security architecture, including each proposed level of security (e.g., application, database, network, server, etc.).
 - b. Proposed approach for managing security levels (e.g., defining, assigning, and maintaining levels of system access and permissions).
 - c. Proposed security procedures and associated documentation for various kinds of Users and the Public.
 - d. Proposed approach to security with respect to delivering access to NC-RETS end-users via a secured web portal.
 - e. Proposed approach for providing User and transactional audit capabilities.
 - f. Proposed certification by Respondent of its proposed security and audit strategy (in tandem with other of the Respondent's system solution components) that the adopted and implemented internet solution will qualify for certification by an independent, third-party certifier (e.g., Webtrust).
 - g. In the event future system requirements include two-way authentication (e.g., some subset of end-users require personal identification for specific transactions that essentially necessitate electronic signatures), propose how addressing this possible future requirement would be integrated into the security-related approaches described immediately above.
 5. The Respondent must provide its proposed solution to address data volumes and retention requirements. The proposal must provide enough detail to demonstrate that it provides sufficient CPU, storage, and appropriate programming logic to allow for accurate and timely data processing in an environment that must be able to support all of the requirements for up to 1,000 Users (about 175 initially). The Respondent shall address its approach for routine archive and restore processes for data imported into NC-RETS and data created within NC-RETS.

6. The Respondent shall address its proposed procedures for importing RECs from other tracking systems and exporting RECs to other tracking systems. Renewable energy facilities in other states whose output is being tracked in other systems must nonetheless be registered by the Commission in order for their RECs to count toward REPS compliance. The Respondent should describe its proposal for assuring that imported RECs are from North Carolina-registered facilities. The Commission maintains a list of registered facilities on its web site.
7. The Respondent must address data interface requirements in enough detail to demonstrate sufficient CPU, storage and appropriate programming logic to allow accurate and timely processing in an environment that must:
 - a. Accept and process energy production data for registered facilities from Reporting Entities and Self-Reporting Facilities. Data files are to be electronically transmitted to NC-RETS using a secured protocol and a standard format specified by the Respondent. The data shall reflect, at a minimum, the month and year of the production, monthly accumulated MWh or kWh (or Btu) for each meter ID and the associated Meter ID(s) for each resource.
 - b. Accept and process import of REC data from North Carolina-registered generating facilities in other tracking systems.
 - c. Accept export requests from Account Holders and process the export of RECs to tracking systems.
 - d. Accept and process certification and eligibility information concerning renewable energy facilities registered with the Commission. The Respondent shall describe its proposal for developing, implementing and operating a user interface that will allow facilities to submit registration information to NC-RETS.
 - e. NC-RETS must support three interface methods for all REC activity within the system, including: 1) a secure file transfer protocol that allows Users to upload/download SSL encrypted data; 2) secure submission of data via CD; and 3) editing of a User's data, by the User, through a graphical user interface.

Functional Requirements

The Respondent shall explain how it will meet these functional requirements:

A. Account Functions

1. The Respondent will establish an Account(s) for any Electric Power Supplier, Renewable Energy Facility owner, or other entity that wishes to own RECs in NC-RETS. The Respondent will describe how it will interact with each Electric Power Supplier and facility owner to establish its Account(s). (No NC-RETS Account shall be established for a facility unless the Commission has approved its registration as a Renewable Energy Facility or a New Renewable Energy Facility. A list of such approved facilities is available on the Commission's web site.)

2. The Respondent will describe how it will require each Account Holder to name a designated representative, a natural person authorized by the Account Holder to import, transfer or retire RECs. The designated representative will serve as the contact person on all matters regarding the Account Holder's Account(s) and REC data.
3. The Respondent shall describe how it would register Users and maintain Account Holder data.
4. Accounts within NC-RETS shall be password protected.
5. The Respondent will develop static data fields for information relative to the physical characteristics of each registered facility, with input from Users. The Respondent may provide a suggested list of such data fields based on its experience, and shall describe how it will finalize such list with input from Users.
6. RECs shall reside in Accounts owned by Account Holders. NC-RETS shall allow Account Holders to create customized sub-accounts.
7. NC-RETS shall provide each Electric Power Supplier with a "pending retirement" Account. (When the Electric Power Supplier reports to the Commission in its annual REPS compliance report that it proposes to retire specific RECs for REPS compliance, the Electric Power Supplier shall transfer those specific RECs into its "pending retirement" Account.)
8. NC-RETS shall provide "retirement" Accounts where RECs used for REPS compliance shall be transferred by an Electric Power Supplier when the Commission acts on the Electric Power Supplier's annual REPS compliance report.
9. The Respondent must provide a user interface protocol that allows Users to easily execute the following actions:
 - a. Initiate transfer of RECs and confirm receipt of RECs to and from other Account Holders
 - b. Transfer RECs into "pending retirement" and "retirement" Accounts
 - c. Transfer a REC to another Account or sub-account
 - d. Export a REC to another tracking system
 - e. Import a REC from another tracking system
 - f. Indicate that a REC has expired for the purposes of North Carolina REPS compliance.
10. The Respondent shall demonstrate how it will provide Users with data upload capabilities that would allow a User to perform a given function with a group of RECs or facilities on a batch basis. These upload functions shall include:
 - (1) initiating REC transfers between Accounts and Account Holders, and
 - (2) initiating the import or export of a group of RECs with other REC tracking systems in North America.

B. REC Data Functions

1. NC-RETS shall create one REC for each megawatt-hour of electricity (or thermal equivalent) generated from renewable sources by facilities registered by the Commission that have their RECs created in NC-RETS. (Facilities located outside of North Carolina may have their RECs created in another REC tracking

- system and transferred into NC-RETS for REPS compliance purposes.) NC-RETS shall have the capability of creating multiple RECs per megawatt-hour for specific renewable energy facilities as directed by the Commission. To avoid double-counting, NC-RETS must create all of the RECs associated with 100% of a facility's output from renewable energy sources.
2. The Respondent must develop, for Commission approval, a numerical certification construct that will assure that each REC has a unique serial number which shall contain embedded codes that indicate the facility unit, its location by state, and the month and year of the renewable energy production represented by the specific REC.
 3. Each REC shall have an associated data field to be populated by Account Holders that will record the year the related costs were recovered from utility customers. NC-RETS shall provide Electric Power Suppliers with the ability to batch upload such data into NC-RETS for multiple RECs.
 4. Each REC shall have associated data fields for the following information, which shall be populated by NC-RETS: (1) fuel source; (2) whether the facility is a New Renewable Energy Facility or a Renewable Energy Facility; 3) the year the REC was retired; and 4) whether the REC was retired for REPS compliance or some other purpose.
 5. Respondent is encouraged to suggest other data fields, based on their experience. The Respondent shall propose a list of data fields needed for each REC in order for NC-RETS to be as consistent as reasonably possible with other REC tracking systems in North America.
 6. NC-RETS must be able to generate energy efficiency (and DSM) RECs from uploaded data inputted by an Electric Power Supplier. NC-RETS shall provide Electric Power Suppliers with the ability to batch upload such data into NC-RETS for multiple RECs.
 7. The Respondent shall describe how it will provide a system for assigning each energy efficiency (including DSM) REC a serial number which shall contain embedded codes that indicate which utility accomplished the efficiency and in which year it was accomplished. (These RECs can only be used (retired) for REPS compliance by the Electric Power Supplier that created them.)
 8. NC-RETS must issue RECs no less frequently than once a month per facility, assuming that the facility or Electric Power Supplier has qualifying entries in its Activity Log. RECs for energy efficiency, demand side management and self-reporting facilities shall be issued within two weeks of data being provided by the Account Holder or its Reporting Entity. The Respondent shall demonstrate how it will manage fuel source information and issue appropriate RECs from multi-fuel facilities where one or more of the fuel sources do not qualify for RECs.
 9. For any facility that uses both renewable energy resources and nonrenewable energy resources to produce energy, the facility shall earn RECs based only upon the energy derived from renewable energy resources in proportion to the relative energy content of the fuels used. Biomass co-fired with fossil fuels or using fossil fuels for startup or supplemental firing are eligible for RECs in proportion to the ratio of the net heat content of each fuel consumed to the net

- heat content of all fuel consumed in that month, adjusted to reflect differential heat rates for different fuels, if applicable.
10. If the facility uses a variety of fuels, some of which qualify for RECs and some of which do not, the Administrator shall retain the production data in the Activity Log pending receipt of the fuel allocation information. Account Holders for such facilities shall provide the NC-RETS Administrator with the fuel information required to calculate, and issue RECs. The Vendor shall retain the fuel information and make it available for audit. NC-RETS shall issue RECs within 7 business days of receiving the fuel information.
 11. The Respondent shall demonstrate how it will transfer Btu data from thermal energy facilities into MWh data at the rate of one MWh for every 3,412,000 Btu.
 12. The Respondent shall demonstrate how it would create RECs for energy efficiency based on an estimate inputted to NC-RETS by each Electric Power Supplier. NC-RETS must provide a means for current-month/year EE REC production to be increased or decreased in response to Commission approval of measurement and verification studies submitted by Electric Power Suppliers. If additional RECs are created based on historic EE achievements, they shall be assigned the current creation year, rather than a historic/imputed creation year.
 13. NC-RETS shall allow printing of screens for each Account and sub-account.

C. Activity Log Functions

1. Each facility will have a production Activity Log, which is an electronic ledger where energy production data is posted prior to REC creation. For each facility, the Activity Log will accept production data from a single entity.
2. Each time production data is received by NC-RETS for a particular facility, the date and quantity of kWh or Btu shall be posted to the Activity Log. Adjustments received will be posted likewise.
3. The status of each entry in the Activity Log will be noted as follows:
 - a. System Accepted: Production has not yet been accepted or disputed by the facility Account Holder.
 - b. Pending: The NC-RETS Administrator is waiting for resolution of a situation or receipt of additional information (such as fuel allocations) before the RECs can be issued into an Account.
 - c. Accepted: The facility agrees with the posted production, but the RECs have not yet been issued into its Account.
 - d. Auto Accepted: The facility did not accept or dispute the production posted within 7 business days and NC-RETS automatically accepted the production.
 - e. Disputed: The facility or a regulator has disputed the posted amount of production.
 - f. Cancelled: The production was logged, but RECs were never issued. For example, the Commission revoked the facility's registration.
 - g. RECs Issued: RECs were issued into an Account for the logged production.
4. NC-RETS must change the status of each entry in the Activity Log as information is received.

5. NC-RETS shall issue RECs based on the total whole number of MWh in the Activity Log that are "Accepted" or "Auto-Accepted." Fractional MWh will be rolled forward until sufficient production is accumulated for the creation of a REC.
6. NC-RETS will electronically notify the Account Holder each time an item is posted to its Activity Log. Account Holders will have at least seven calendar days to accept or dispute any new regular entries to the log and up to 90 days to accept or dispute adjustments. If the Account Holder does nothing, the posting will be automatically accepted after the specified waiting period.
7. The Respondent's proposal will assure that for facilities where the Reporting Entity or Self-Reporting Entity supplies meter readings, rather than net production, the Activity Log shall include a column where the meter readings are recorded and net generation is calculated.
8. The Respondent's proposal shall describe the production Activity Log, which at a minimum will include:
 - a. Opening Balance/Prior Month's Balance Forward reflecting the kWh remaining after the prior month's REC creation date
 - b. MWh (and original Btu, as appropriate) of production reported to NC-RETS during the current month
 - c. Administrative adjustments, if any
 - d. Creation of RECs into an Account
 - e. Balance forward (residual kWh)
9. NC-RETS shall have the capability to perform data validity checks. All energy production data received by NC-RETS will undergo an automatic data validity check to ensure that erroneous and technically infeasible data is not used to create RECs. The check will compare reported production to an engineering estimate of maximum potential production calculated as a function of technology type, associated maximum capacity factor, nameplate capacity, fuel (if relevant), and time period since the previous cumulative meter reading. If data entered into an Activity Log exceeds an estimate of technically feasible production, NC-RETS will alert the NC-RETS Administrator.
10. The Respondent should demonstrate how it would differentiate production data for multi-fuel facilities in order to assure that RECs are created only for the portion of the facility's production that is associated with qualifying fuels.
11. Activity Logs within NC-RETS shall be password protected.
12. NC-RETS shall allow printing of screens for each Activity Log.
13. The Respondent must demonstrate how it would work with a group of Users to provide data interfaces to receive energy production data from facilities under three circumstances:
 - a) For generators that are interconnected at the transmission level, and hence their output is verified monthly by Duke or Progress in its role as a balancing area operator, Duke or Progress will report kWh production data to NC-RETS monthly, on an end-of-month basis. Production data will be electronically collected by Duke and Progress and verified by each of them respectively through their separate monthly balancing area checkout/energy accounting or settlements processes. Duke and Progress will electronically transmit production

data files to NC-RETS using a secured protocol and a standard format to be developed by the Respondent with input from Duke and Progress. At a minimum the data shall reflect the month and year of generation, monthly kWh for each meter ID, and the associated meter ID(s) for each generating facility. The NC-RETS Administrator will accept the data and issue associated RECs, in whole numbers only (one REC for each eligible MWh), into the appropriate Accounts.

- b) For generators that are interconnected at the distribution level, and for which their local Electric Power Supplier routinely reads a production meter, the Respondent shall provide a means for the meter-reading Electric Power Supplier to transmit production data to NC-RETS. At a minimum the data shall reflect the month and year of generation, kWh produced as recorded at each meter, the meter's ID, and the generating facility.
 - c) For Users that self-report their electric generation or thermal energy production data, the Respondent shall provide a means for them to do so via a web-based graphical interface. The Respondent shall describe how it will develop a self-reporting interface by which Users with Self-Reporting Facilities shall enter actual cumulative meter readings measured in kWh (or Btu for solar thermal installations or combined heat and power systems) and the date of each meter reading. Such meter readings must be entered at least once a year.
14. The Respondent will describe its proposed method for accepting and making prior period adjustments to energy production data and applying a credit or debit to individual facility Activity Logs. For metered generation data that is provided by a balancing area operator, such adjustments may only be requested by the balancing area operator after all of the affected entities agree that the adjustment is appropriate. The NC-RETS Administrator shall not accept prior period adjustments for energy production reported more than a year prior to the current month. NC-RETS must inform impacted Account Holders of all credit or debit adjustments as soon as they are posted to their Activity Logs.

D. Audit Functions

- 1. Starting in early 2011 for the year 2010, NC-RETS shall provide a data field for each Electric Power Supplier to manually enter its prior year retail sales in megawatt hours. NC-RETS shall then calculate and report each Electric Power Supplier's solar obligation and the 25% maximum that can come from out-of-state resources to meet that obligation. Beginning in early 2013, for 2012, and in all subsequent years, NC-RETS shall use the retail sales data to also calculate and report each Electric Power Supplier's (1) total annual REPS obligation, (2) maximum that can be provided by energy efficiency (and demand-side management), and (3) the maximum that can come from out of state resources. (See Appendix 1 for more information about the North Carolina Renewable Energy and Energy Efficiency Standards.)
- 2. The Respondent shall describe how NC-RETS will allow authorized Users (the Commission and the Public Staff) and Account Holders (for data in their own Accounts only) to export and sort REC data, by Electric Power Supplier, for

those RECs that are "retired" or "pending retirement," in order to audit an Electric Power Supplier's REPS compliance.

- 3.. Authorized Users (the Commission and the Public Staff) and Account Holders (for data in their own Accounts only) must also be able to export REC data from all Electric Power Supplier accounts simultaneously by fuel source, and "retired" and "pending retirement" status in order to audit compliance with North Carolina's solar, swine and poultry waste requirements.
4. The Respondent shall describe how NC-RETS will have a user interface that facilitates creation of the customized reports described above.
5. Respondents are encouraged to propose user-friendly approaches that will ensure NC-RETS functions well as a REPS compliance audit tool. Vendors are encouraged to review the Commission's Rules and Orders in Docket No. E-100, Sub 113, which are available on its web site (www.NCUC.net). (See the Rules issued February 29, 2008 and interpretive Orders dated February 29, 2008; March 13, 2008; November 26, 2008; May 7 and 8, 2009; June 17, 2009; July 13, 2009; July 27, 2009; and September 22, 2009.)
6. NC-RETS shall maintain an on-screen report for regulators listing all facilities that are creating RECs in NC-RETS, the entity that provides their production data and the method by which that production data is transmitted to NC-RETS.
7. NC-RETS must provide and maintain an audit log of all prior period adjustments that is available for audit by the Public Staff and the Commission. NC-RETS shall back-date energy production RECs as necessary so that the REC serial numbers are as accurate as possible, and shall note any such date changes in an audit log.

E. Public Functions

1. NC-RETS must have an Internet presence that is available 24-hours a day to the Public and that includes the information and links listed in Appendix 3. The Public Staff will regularly provide NC-RETS with links needed to keep the NC-RETS Public web site up to date.

F. User Services

1. The Respondent should describe how it will provide system documentation, user process development, documentation, training, and training materials to Users prior to start-up, as well as to new Users throughout the MOA term.
2. The Respondent should describe how it will operate a help desk to provide telephonic assistance to Users and the Public during, at a minimum, normal business hours (8 a.m. to 5 p.m.), Eastern Time.

G. Administrative Functions

1. NC-RETS must have functions that allow the NC-RETS Administrator to access every account (view only or data entry with the appropriate security and documentation).

2. The Respondent should demonstrate that its Administrative function will be able to suspend the issuance of RECs for a facility in the event the Commission informs the NC-RETS Administrator that the Commission has revoked the facility's registration.
3. The Respondent will recommend the functionality for its Administrative function to respond to production data that fails the validity checks (see item 9 under Activity Log Functions) so that the data is posted as "pending" until verified as accurate before creating any associated RECs.
4. The Respondent shall propose methods for establishing password-protected, read only access for the Commission, the Public Staff, and Users, with the Commission and Public Staff having such access to all accounts and all data in NC-RETS.
5. The Respondent shall explain how it would insure that the NC-RETS Administrator would remind Self-Reporting Entities to report production data 10 months from the last data receipt. If the Self-Reporting Entity does not enter a cumulative meter reading within 365 days of its last entry, its Account shall be deemed inactive and the Administrator shall so inform them. If the Account is reactivated, the next verified meter read shall be the new baseline for accumulated kWh or Btu data. Solar thermal facilities and combined heat and power systems shall be treated as Self-Reporting Facilities for thermal RECs.
6. The Respondent shall demonstrate how it would insure that, upon receipt of energy production fuel information for multi-fuel facilities, its Administrator would issue RECs within 7 business days.
7. The NC-RETS Administrator shall retain facility fuel data and calculations of RECs in a manner designed to facilitate routine audits by the Public Staff.
8. Once an energy-related REC is created in NC-RETS, no changes can be made. In the event an error is discovered after RECs have been issued, the NC-RETS Administrator shall notify the facility Activity Log owner, the REC owner (if different from the Activity Log owner) and the Commission as soon as possible with a proposed solution to rectify the error. While the issue is pending resolution, the NC-RETS Administrator shall insure that any RECs that might have been issued in error are not transferred from one Account Holder to another or used for compliance or otherwise retired.
9. NC-RETS must be able to import and export RECs to and from other REC tracking systems in North America to the extent that other systems meet essentially equivalent standards for metering and data quality. The source facility for imported RECs must be registered with the Commission. In order to import or export RECs from one system to another, the NC-RETS Administrator must develop a protocol with the other tracking system. After such a protocol has been developed, the Vendor will list the system and protocol on the NC-RETS web site. The Respondent's proposal shall demonstrate how the NC-RETS Administrator will process a request to export or import RECs. The NC-RETS Administrator will assign the designated RECs an "export pending" status to insure they are not inadvertently transferred, sold or retired. The NC-RETS Administrator will communicate with the administrator of the other system and arrange for the transfer. If the transfer is accepted by the other

system, the NC-RETS Administrator will move the RECs to the Account Holder's export Account. The status of the RECs will be changed from "export pending" to "exported." The Respondent's proposal shall describe how the Account Holder is kept informed at each step in this process. The Respondent's proposal shall demonstrate how it will provide a similar process for REC imports.

The Public portion of the NC-RETS site shall contain the following:

A. Reports

- (1) List of current Account Holders by Account Holder type with contact information (residential accounts by name only), updated daily as needed.
- (2) List of current and historic facilities by fuel source with owner information, updated daily as needed.
- (3) RECs generated by year (1-year delay), by fuel source, at facilities located in North Carolina, updated in the first quarter of the current year for the prior year's production. NC-RETS shall consult with Commission Staff prior to reporting REC data for a fuel source for which there is only one generator operating in North Carolina. RECs from biomass fuels (other than swine and poultry waste) shall be reported in aggregate.
- (4) EE RECs generated each year (1-year delay), including RECs associated with DSM, in North Carolina, updated in the first quarter of current year for the prior year's production. EE RECs shall be reported by utility/utility organization.
- (5) North Carolina REPS Compliance Summary and associated graphs (with a two-year delay), indicating overall MWhs used for compliance, with ability to segment by fuel sources, energy efficiency and demand side management.
- (6) Summary of each utility's annual compliance report and cost recovery request. These would be provided by each utility (not generated by NC-RETS) based upon a template to be designed by a User group.

B. Links

- (1) Commission dockets for utility integrated resource plans and/or REPS compliance plans, updated upon filing with link information provided by the Public Staff.
- (2) Commission dockets for each Electric Power Supplier's annual REPS and DSM/EE filings, updated upon filing with link information provided by the Public Staff.
- (3) List of EE/DSM programs approved by the Commission with links to dockets, updated upon filing with link information provided by the Public Staff.
- (4) NCUC Annual REPS Report to the Governor et al., updated upon submission, with link information provided by the Commission.
- (5) NCUC Biennial DSM/EE Report to the Governor et al., updated upon submission, with link information provided by the Commission.
- (6) Links to Senate Bill 3 and the associated NCUC rulemaking docket (Docket No. E-100, Sub 113).
- (7) Link to the Commission's NC-RETS docket (Docket No. E-100, Sub 121).

NC-RETS Glossary

The following definitions are used throughout this RFP, its appendices and the MOA.

Account Holder(s) – User(s) of NC-RETS that own RECs created and/or tracked in NC-RETS.

Activity Log – Electronic ledger in NC-RETS that receives a facility's energy production data prior to issuance of RECs.

Combined heat and power (CHP) system – a system that uses waste heat to produce electricity and useful, measurable thermal or mechanical energy at a retail electric customer's facility.

Demand-side management (DSM) – means activities, programs or initiatives undertaken by an Electric Power Supplier to shift the timing of electricity use from peak to nonpeak demand periods. DSM includes, but is not limited to, load management, electric system equipment and operating controls, direct load control and interruptible load. For purposes of generating RECs, DSM achievements will be measured based on actual, annual energy (kWh) savings. Only municipalities and electric membership corporations may use DSM for REPS compliance.

Electric Power Supplier – a public utility, an electric membership corporation, or a municipality that sells electric power to retail electric power customers in the State of North Carolina.

Energy efficiency measure – an equipment, physical, or program change implemented after January 1, 2007 that results in less energy used to perform the same function. Energy efficiency measure includes, but is not limited to, energy produced from a combined heat and power system that uses nonrenewable energy resources. Energy efficiency measure does not include demand-side management.

NC-RETS – the North Carolina Renewable Energy Tracking System established pursuant to these requirements in order to track RECs and compliance with the REPS requirement in North Carolina.

NC-RETS Administrator or Administrator – the Respondent personnel responsible for managing NC-RETS pursuant to the Memorandum of Agreement entered into with the Commission.

New Renewable Energy Facility – a Renewable Energy Facility that either: a) was placed into service on or after January 1, 2007, b) delivers or has delivered electric power to an Electric Power Supplier pursuant to a MOA with NC GreenPower that was entered into prior to January 1, 2007, or c) is a hydroelectric power facility with a generation capacity of 10 megawatts or less that delivers (sells) electric power to an Electric Power Supplier. The Commission will determine whether a Renewable Energy Facility is a New Renewable Energy Facility when it rules on the facility's registration application.

Public – Members of the general public, including government officials, who are not Users. People who are not Account Holders, or facility owners and do not have official audit responsibilities.

Public Staff – The independent agency responsible for auditing utility compliance with REPS, among other things.

Renewable Energy Certificate (REC) – a tradable instrument that is equal to one megawatt hour of electricity or equivalent energy supplied by a Renewable Energy Facility, New Renewable Energy Facility, or reduced by implementation of an energy efficiency measure or DSM activity that is used to track and verify compliance with the REPS requirement. A REC does not include the related emission reductions, including but not limited to, reductions of sulfur dioxide, oxides of nitrogen, mercury, or carbon dioxide.

Renewable Energy Facility – a facility, other than a hydroelectric power facility with a generation capacity of more than 10 megawatts, that either: a) generates electric power by the use of a renewable energy resource, b) generates useful, measurable combined heat and power derived from a renewable energy resource, or c) is a solar thermal energy facility. RECs from CHP systems and solar thermal facilities shall be earned based on one MWh for every 3,412,000 British thermal units (Btu's) of useful heat/thermal energy produced.

Renewable energy resource – a solar electric, solar thermal, wind, hydropower, geothermal, or ocean current or wave energy resource; a biomass resource, including agricultural waste, animal waste, wood waste, spent pulping liquors, combustible residues, combustible liquids, combustible gases, energy crops, or landfill methane; waste heat derived from a renewable energy resource and used to produce electricity or useful, measurable thermal energy at a retail electric customer's facility; or hydrogen derived from a renewable energy resource. Renewable energy resource does not include peat, a fossil fuel, or nuclear energy resource.

Reporting Entity – Organization that provides NC-RETS with facility production data based on having read the facility's meter.

Respondent – an organization that responds to this RFP and seeks to become the Vendor selected to perform the services sought by this RFP.

Self-Reporting Facility – energy production facility of 1,000 kW or less, CHP system, or solar thermal facility that self-reports its production data. That data is subject to audit by the Public Staff.

Solar energy resources – Solar resources that were placed into service on or after January 1, 2007, including solar electric facilities, and new metered solar thermal energy facilities that use one or more of the following applications: solar hot water, solar absorption cooling, solar dehumidification, solar thermally driven refrigeration and solar industrial process heat.

User(s) – NC-RETS Account Holders or Staff of the North Carolina Utilities Commission, including the Public Staff.

Vendor – The Respondent selected by the Commission to provide the services sought in this RFP.